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FEDERAL MARITIME COMM

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The Honorable Bryant L. Van Brakle
Secretary
Federal Maritime Commission
800 North Capitol Street N. W.
Washington, D.C. 20573

September 30, 2003

Re: Petition of National Customs Brokers and Freight Forwarders Association of America, Inc. for a Limited Exemption From Certain **Tariff** Requirements of the Shipping Act of 1984

Dear Secretary Van Brakle:

I am the Corp. Operations Manager of **EMO** Trans. Inc., a licensed **OTI/ NVOCC (FMC / OTI 1797 NF)**.

The following a number of items relating to **the** need of **maintaining Tariffs** which we appreciate your consideration for relieve.

The time involved and costs associated with the rate filing requirement are substantial factors affecting not only the bottom line of the NVOCC but adding a financial burden to the shipper client.

1. Most rates are negotiated with customers for a limited time due to frequent changes dictated by VOCC implemented rate adjustments or surcharges as well as the competitive environment NVOCCs find themselves in. In the majority of cases we are unable to use tiled rates consistently but have to re-file based on competitive situations.
2. Every rate change is a substantial cost factor reducing limited margins further.
3. Our customers increasingly look at us to be a 3PL – offering all possible transportation and distribution Solutions – fast, economical and secure. Filing rates and keeping Tariffs updated does not serve fast and economical processes.
4. The intend of having a Tariff on file does not seem to be supported by the shipping public since, to our knowledge, has no shipper looked at our tiled Tariff. Not only would this be an extra expense to the shipper but an investment in time as well. Prospects and customers rather contact the NVOCC to request rates.

Exemption to enter into **Service Contracts:**

1. A great number of **OTIs** are performing 3 PL services with extensive and substantial investments in IT and other assets. More and more customers request a stable pricing structure (contract), for a commitment in volume / tonnage, for their benefit of medium and long term pricing implementations. Shippers do not understand why NVOCCs are precluded from arranging contracts with them and turn to VOCCs for these pricing needs. Excluding NVOCCs from engaging in contracts provides not only an undue advantage to the carriers but creates a monopoly in their favor.
2. The 3 **PL's** owned by VOCCs are anticipated to seek similar relief and expect special treatment due to their carrier Parents.

A final comment regarding those NVOCCs proposing relief for themselves rather than the Industry as a whole:

Under the present regulations all NVOCCs are bound by and adhere to the same rules, regulations and standards. To create a “2nd class NVOCC”, being the “poor, little brother”, was most certainly not the intention of the legislature.

Sincerely,
EMO Trans Inc.



Klaus H. Jager
Corporate Operations **Manager**